

Internal Revenue bulletin

Bulletin No. 2000-32
August 7, 2000

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

INCOME TAX

Rev. Rul. 2000-37, page 156.

Mutual life insurance companies; differential earnings rate. The differential earnings rate for 1999 and the recomputed differential earnings rate for 1998 are set forth for use by mutual life insurance companies to compute their income tax liabilities for 1999.

Rev. Rul. 2000-38, page 157.

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate. For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for August 2000.

T.D. 8892, page 158.

This document removes temporary regulations under sections 6012, 6061, and 6065 of the Code relating to the Telefile Voice Signature test.

EMPLOYEE PLANS

T.D. 8891, page 152.

Final regulations under sections 411 and 417 of the Code relate to the increase from \$3,500 to \$5,000 of the limit on

distributions from qualified retirement plans that can be made without participant or spousal consent. These regulations also eliminate the "lookback rule" pursuant to which certain qualified plan benefits are deemed to exceed this limit on involuntary distributions.

EXEMPT ORGANIZATIONS

Announcement 2000-67, page 160.

A list is given of organizations now classified as private foundations.

ADMINISTRATIVE

Announcement 2000-66, page 160.

This document contains corrections to the notice of proposed rulemaking (REG-107644-98, 2000-23 I.R.B. 1229) relating to the dollar-value LIFO regulations.

Announcement 2000-68, page 161.

This document withdraws the cross-referencing notice of proposed rulemaking (IA-38-93, 1994-1 C.B. 795) under sections 6012, 6061, and 6065 of the Code relating to the Telefile Voice Signature test.

Finding Lists begin on page ii.
Index for July begins on page iv.



Department of the Treasury
Internal Revenue Service

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities

and by applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and proce-

dures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The first Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the first Bulletin of the succeeding semiannual period, respectively.

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Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000-38, page 157.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000-38, page 157.

Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of August 2000. See Rev. Rul. 2000-38, page 157.

Section 411.—Minimum Vesting Standards

26 CFR: 1.411(a)-7: Definitions and special rules.

T.D. 8891

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1 and 31

Increase in Cash-Out Limit Under Sections 411(a)(7), 411(a)(11), and 417(e)(1) for Qualified Retirement Plans

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the increase from \$3,500 to \$5,000 of the limit on distributions from qualified retirement plans that can be made without participant or spousal consent. This increase is contained in the Taxpayer Relief Act of 1997. In addition, these regulations eliminate the “lookback rule” pursuant to which certain qualified plan benefits are deemed to exceed this limit on involuntary distrib-

utions. The final regulations affect sponsors and administrators of qualified retirement plans, and participants in those plans.

DATES: Effective Date: These regulations are effective October 17, 2000.

Applicability Date: These regulations generally apply to distributions made on or after October 17, 2000.

FOR FURTHER INFORMATION CONTACT: Robert Walsh, (202) 622-6090 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On December 21, 1998, a notice of proposed rulemaking (REG-113694-98, 1999-7 I.R.B. 56) was published in the **Federal Register** (63 F.R. 70356) regarding the “cash-out limit” under sections 411(a)(7), 411(a)(11), and 417(e)(1) of the Internal Revenue Code. That same day, temporary and final regulations (T.D. 8794, 1999-7 I.R.B. 4) were published in the **Federal Register** (63 F.R. 70335) which amended the Income Tax Regulations (26 CFR parts 1 and 31) relating to the increase in the cash-out limit enacted by section 1071 of the Taxpayer Relief Act of 1997, Public Law 105-34, 111 Stat. 788 (1997) (TRA '97). The text of the temporary regulations served as a portion of the text of the proposed regulations. Very few comments were submitted on the proposed regulations; no hearing was requested or held. After consideration of the comments, these final regulations adopt the provisions of the proposed regulations.

Explanation of Provisions

The temporary regulations made several changes to the cash-out rules under sections 411(a)(7), 411(a)(11), and 417(e)(1). In accordance with section 1071 of TRA '97, the temporary regulations increased the cash-out limit from \$3,500 to \$5,000. Thus, a qualified plan can generally distribute vested accrued benefits valued at \$5,000 or less without participant or spousal consent. The temporary regulations also provided that, for purposes of section 411(a)(7)(B)(i), an in-

voluntary distribution of an employee's vested accrued benefit valued at \$5,000 or less could be treated as made due to termination of the employee's participation if the distribution could have been made at termination of participation but for the fact that the benefit was then valued at more than \$3,500. Finally, the temporary regulations amended §1.411(a)-11(c)(3) to eliminate the “lookback rule” for distributions other than those made pursuant to an optional form of benefit under which at least one scheduled periodic distribution remained payable. Prior to this amendment, the lookback rule in §1.411(a)-11(c)(3) provided that the present value of a vested accrued benefit was deemed to exceed the cash-out limit if it had exceeded the cash-out limit at the time of any previous distribution. The temporary regulations did not change the parallel lookback rule under §1.417(e)-1(b)(2)(i).

The proposed regulations generally included the provisions of the temporary regulations, but they also proposed the complete removal (on a prospective basis) of the lookback rule under both §§1.411(a)-11(c)(3) and 1.417(e)-1(b)(2)(i). Thus, under the proposed regulations, the lookback rule would be eliminated both for plans subject to the spousal-consent provisions of sections 401(a)(11) and 417 and for plans not subject to those provisions. Under this removal of the lookback rule, a participant's vested accrued benefit valued at \$5,000 or less could be distributed without consent even if the benefit had been valued at more than \$5,000 at the time of a previous distribution. However, in accordance with section 417(e)(1), the proposed regulations also provided that, in the case of plans subject to sections 401(a)(11) and 417, consent would be required after the annuity starting date for the immediate distribution of the present value of an accrued benefit being distributed in any form, including a qualified joint and survivor annuity or a qualified preretirement survivor annuity, regardless of the amount of that present value.

Very few comments were received on the proposed regulations. One commentator inquired whether a cash-out could be made of a benefit presently valued at \$4,500 that had been valued at \$4,000

upon termination of the employee's employment more than two years earlier. As indicated in the preamble to the final and temporary regulations published with the proposed regulations, that benefit could be cashed out.

Another commentator indicated support for the content of the proposed regulations but expressed concern about the rule, derived from section 417(e)(1), prohibiting a cashout after the annuity starting date of a benefit being distributed in any form by a plan subject to sections 401(a)(11) and 417. The commentator observed that, under section 417(f)(2)(A), the annuity starting date for a benefit payable upon termination of employment in non-annuity form could be the date of termination. The commentator argued that the rule in the proposed regulations prohibiting a cashout after the annuity starting date could be read to preclude a cashout of a non-annuity benefit payable at termination, regardless of the present value of that benefit. To address this, the commentator urged the IRS and Treasury to redefine "annuity starting date" such that a cashout would be permitted as long as a benefit remains immediately distributable (that is, until the later of normal retirement age or age 62).

The provision in the proposed regulations prohibits a cashout after the annuity starting date of a benefit "being distributed in any form." The rule does not apply to any benefit that is not yet "being distributed" — that is, to any benefit with respect to which no payment has been made. If the present value of a benefit payable on or after termination of employment does not exceed the cashout limit, the rule of section 417(e)(1), as set forth in the proposed regulations, would not prohibit a cashout prior to the date on which a payment is first made (disregarding, obviously, the cashout payment itself). Thus, no change has been made to the regulations on this point.

Another commentator objected to the complete elimination of the lookback rule under the proposed regulations. The commentator cited three reasons for its opposition: first, that an amount distributed in a hardship or other type of distribution remains part of a participant's benefit; second, that a participant could manipulate a distribution in order to evade the spousal-consent requirements; and, third, that per-

mitting cash-outs after a hardship or other distribution is contrary to the policy of discouraging non-retirement distributions.

In contrast, a comment received prior to the issuance of the proposed regulations noted problems faced by plan administrators due to the lookback rule. The commentator noted, for example, that if a plan provides for hardship distributions, the plan administrator must review its records to determine the value of the participant's benefits at the time of any prior distribution. The commentator added that this can be particularly difficult and costly where plans sponsored by other employers have merged into the plan. The commentator further stated that the cash-out provisions are designed to allow plans to reduce their administrative costs by making lump sum payments to participants with small benefits and that the lookback rule is contrary to that design because the rule (1) makes it more costly for administrators to determine whether the provisions apply and (2) can prevent a plan from relying on the provisions in many cases where the value of the participant's current benefit is well below \$5,000.

After consideration of the comments, the IRS and Treasury have decided to adopt the regulation eliminating the lookback rule as proposed. The IRS and Treasury believe that the statutory cash-out provisions represent a balancing of the interests of participants in maintaining their benefits in qualified plans with the reasonable administrative needs of plan sponsors and administrators. The lookback rule prevents plans from cashing out a benefit currently valued below the cash-out limit simply because it had been valued above the cash-out limit at the time of an earlier distribution. This creates disparity in the treatment of benefits of equivalent value and requires plans to incur additional recordkeeping and other administrative costs.

The IRS and Treasury note that removal of the lookback rule is unlikely to present significant opportunities for participants to evade the spousal-consent rules. In the case of any plan subject to the spousal-consent provisions of sections 401(a)(11) and 417, a distribution that draws a participant's accrued benefit from a value above the cash-out limit to a value at or below the cash-out limit will itself require

spousal consent. Furthermore, these final regulations strengthen the spousal-consent rules by clarifying that a plan subject to sections 401(a)(11) and 417 may not distribute a benefit after the annuity starting date without consent. This prohibition on cash-outs after the annuity starting date, which is statutory in source, applies without regard to the value of the benefit at the annuity starting date and without regard to the distribution form.

Finally, the IRS and Treasury note that concerns about non-retirement distributions of benefits are mitigated by the availability of rollovers. In almost all cases, an amount distributed from a qualified plan in a cash-out distribution will be an eligible rollover distribution that can be paid directly (or indirectly, through a 60-day rollover) to another qualified retirement plan or individual retirement arrangement.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Robert M. Walsh, Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations). However, other personnel from the IRS and Treasury Department participated in their development.

* * * * *

Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 31 are amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by removing the entry for §1.411(a)–7T and by adding a new entry in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * *
§1.411(a)–7 also issued under 26 U.S.C. 411(a)(7)(B)(i). * * *

Par. 2. Section 1.411(a)–7 is amended as follows:

1. Paragraph (d)(4)(i) is revised;
2. Paragraphs (d)(4)(vi) and (d)(4)(vii) are added.

The revision and additions read as follows:

§1.411(a)–7 Definitions and special rules.
* * * * *

(d) * * *

(4) *Certain cash-outs of accrued benefits*—(i) *Involuntary cash-outs.* For purposes of determining an employee's right to an accrued benefit derived from employer contributions under a plan, the plan may disregard service performed by the employee with respect to which—

(A) The employee receives a distribution of the present value of his entire nonforfeitable benefit at the time of the distribution;

(B) The requirements of section 411(a)(11) are satisfied at the time of the distribution;

(C) The distribution is made due to the termination of the employee's participation in the plan; and

(D) The plan has a repayment provision which satisfies the requirements of paragraph (d)(4)(iv) of this section in effect at the time of the distribution.

* * * * *

(vi) For purposes of paragraph (d)(4)(i) of this section, a distribution shall be deemed to be made due to the termination of an employee's participation in the plan if it is made no later than the close of the second plan year following the plan year in which such termination occurs, or if such distribution would have been made under the plan by the close of such second plan year but for the fact that the present value of the nonforfeitable accrued bene-

fit then exceeded the cash-out limit in effect under §1.411(a)–11(c)(3)(ii). For purposes of determining the entire nonforfeitable benefit, the plan may disregard service after the distribution, as illustrated in paragraph (d)(2)(i) of this section.

(vii) *Effective date.* Paragraphs (d)(4)(i) and (vi) of this section apply to distributions made on or after March 22, 1999. However, an employer is permitted to apply paragraphs (d)(4)(i) and (vi) of this section to plan years beginning on or after August 6, 1997. Otherwise, for distributions prior to March 22, 1999, §§1.411(a)–7 and 1.411(a)–7T, in effect prior to October 17, 2000 (as contained in 26 CFR part 1, revised as of April 1, 2000) apply.

* * * * *

§1.411(a)–7T [Removed]

Par. 3. Section 1.411(a)–7T is removed.

Par. 4. Section 1.411(a)–11 is amended by revising paragraph (c)(3) to read as follows:

§1.411(a)–11 Restriction and valuation of distributions.

* * * * *

(c) * * *

(3) *Cash-out limit.* (i) Written consent of the participant is required before the commencement of the distribution of any portion of an accrued benefit if the present value of the nonforfeitable total accrued benefit is greater than the cash-out limit in effect under paragraph (c)(3)(ii) of this section on the date the distribution commences. The consent requirements are deemed satisfied if such value does not exceed the cash-out limit, and the plan may distribute such portion to the participant as a single sum. Present value for this purpose must be determined in the same manner as under section 417(e); see §1.417(e)–1(d).

(ii) The cash-out limit in effect for a date is the amount described in section 411(a)(11)(A) for the plan year that includes that date. The cash-out limit in effect for dates in plan years beginning on or after August 6, 1997, is \$5,000. The

cash-out limit in effect for dates in plan years beginning before August 6, 1997, is \$3,500.

(iii) *Effective date.* Paragraphs (c)(3)(i) and (ii) of this section apply to distributions made on or after October 17, 2000. However, an employer is permitted to apply the \$5,000 cash-out limit described in paragraph (c)(3)(ii) of this section to plan years beginning on or after August 6, 1997. Otherwise, for distributions prior to October 17, 2000, §1.411(a)–11 and 1.411(a)–11T in effect prior to October 17, 2000 (as contained in 26 CFR Part 1 revised as of April 1, 2000) apply.

* * * * *

§1.411(a)–11T [Removed]

Par. 5. Section 1.411(a)–11T is removed.

Par. 6. Section 1.417(e)–1 is amended by revising the last sentence of paragraph (b)(2)(i) and by adding new paragraph (b)(2)(iii) to read as follows:

§1.417(e)–1 Restrictions and valuations of distributions from plans subject to sections 401(a)(11) and 417.

* * * * *

(b) * * *

(2) * * * (i) * * * After the annuity starting date, consent is required for the immediate distribution of the present value of the accrued benefit being distributed in any form, including a qualified joint and survivor annuity or a qualified preretirement survivor annuity, regardless of the amount of such present value.

* * * * *

(iii) Paragraph (b)(2)(i) of this section applies to distributions made on or after October 17, 2000. For distributions prior to October 17, 2000, §1.417(e)–1(b)(2)(i) in effect prior to October 17, 2000 (as contained in 26 CFR part 1 revised as of April 1, 2000) applies.

* * * * *

PARTS 1 AND 31—[AMENDED]

Par. 7. In the table below, for each section indicated in the left column, remove the language in the middle column and add the language in the right column:

| Section | Remove | Add |
|---|-------------------------|--------------------------------------|
| 1.401(a)–20, Q&A-8, paragraph (d), first sentence | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.401(a)–20, Q&A-24, paragraph (a)(1), fourth sentence | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.401(a)(4)–4, paragraph (b)(2)(ii)(C) | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.401(a)(26)–4, paragraph (d)(2), last sentence | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.401(a)(26)–6, paragraph (c)(4), first sentence | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.411(a)–11, paragraph (b), first sentence | §1.411(a)–11T(c)(3)(ii) | paragraph (c)(3)(ii) of this section |
| 1.411(a)–11, paragraph (c)(7), third sentence | §1.411(a)–11T(c)(3)(ii) | paragraph (c)(3)(ii) of this section |
| 1.411(d)–4, Q&A-2, paragraph (b)(2)(v), second, third, and fourth sentences | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.411(d)–4, Q&A-4, paragraph (a), eighth sentence | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 1.417(e)–1, paragraph (b)(2)(i) first, fourth, and fifth sentences | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |
| 31.3121(b)(7)–2, paragraph (d)(2)(i), last sentence | §1.411(a)–11T(c)(3)(ii) | §1.411(a)–11(c)(3)(ii) |

Robert E. Wenzel,
*Deputy Commissioner
of Internal Revenue.*

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

Approved July 10, 2000.

Jonathan Talisman,
*Deputy Assistant Secretary
of the Treasury (Tax Policy).*

(Filed by the Office of the Federal Register on July 18, 2000, 8:45 a.m., and published in the issue of the Federal Register for July 19, 2000, 65 F.R. 44679)

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

Section 467.—Certain Payments for the Use of Property or Services

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000–38, page 157.

Section 809.—Reduction in Certain Deductions of Mutual Life Insurance Companies

26 CFR 1.809–9: *Computation of the differential earnings rate and the recomputed differential earnings rate.*

Mutual life insurance companies; differential earnings rate. The differential earnings rate for 1999 and the recomputed differential earnings rate for 1998 are set forth for use by mutual life insurance companies to compute their income tax liabilities for 1999.

Rev. Rul. 2000-37

This revenue ruling contains the differential earnings rate for 1999 and the recomputed differential earnings rate for 1998. Under § 809 of the Internal Revenue Code, mutual life insurance companies use these rates in computing their Federal income tax liability for taxable years beginning in 1999. This revenue ruling also contains the figures on which the determinations of these rates are based. Notice 2000-16, 2000-12 I.R.B. 826, contained tentative determinations of these rates.

Section 809(a) provides that, in the case of any mutual life insurance company, the amount of the deduction allowable under § 808 for policyholder dividends is reduced (but not below zero) by the “differential earnings amount.” Any excess of the differential earnings amount over the amount of the deduction allowable under § 808 is taken into account as a reduction in the closing balance of reserves under subsections (a) and (b) of § 807. The “differential earnings amount” for any taxable year is the amount equal to the product of (a) the life insurance company’s average equity base for the taxable year multiplied by (b) the “differential earnings rate” for that taxable year. The “differential earnings rate” for the taxable year is the excess of (a) the

“imputed earnings rate” for the taxable year over (b) the “average mutual earnings rate” for the second calendar year preceding the calendar year in which the taxable year begins. The “imputed earnings rate” for any taxable year is the amount that bears the same ratio to 16.5 percent as the “current stock earnings rate” for the taxable year bears to the “base period stock earnings rate.”

Section 809(f) provides that, in the case of any mutual life insurance company, if the “recomputed differential earnings amount” for any taxable year exceeds the differential earnings amount for that taxable year, the excess is included in life insurance gross income for the succeeding taxable year. If the differential earnings amount for any taxable year exceeds the recomputed differential earnings amount for that taxable year, the excess is allowed as a life insurance deduction for the succeeding taxable year. The “recomputed differential earnings amount” for any taxable year is an amount calculated in the same manner as the differential earnings amount for that taxable year, except that the average mutual earnings rate for the calendar year in which the taxable year begins is substituted for the average mutual earnings rate for the second calendar year preceding the calendar year in which the taxable year begins.

The stock earnings rates and mutual earnings rates taken into account under § 809 generally are determined by dividing statement gain from operations by the average equity base. For this purpose, the term “statement gain from operations” means “the net gain or loss from operations required to be set forth in the annual statement, determined without regard to

Federal income taxes, and ... properly adjusted for realized capital gains and losses....” See § 809(g)(1). The term “equity base” is defined as an amount determined in the manner prescribed by regulations equal to surplus and capital increased by the amount of nonadmitted financial assets, the excess of the amount of statutory reserves over the amount of tax reserves, the sum of certain other reserves, and 50 percent of any policyholder dividends (or other similar liability) payable in the following taxable year. See § 809(b)(2), (3), (4), (5) and (6). Section 1.809-10 of the Income Tax Regulations provides that the equity base includes both the asset valuation reserve and the interest maintenance reserve for taxable years ending after December 31, 1991.

Section 1.809-9(a) of the regulations provides that neither the differential earnings rate under § 809(c) nor the recomputed differential earnings rate that is used in computing the recomputed differential earnings amount under § 809(f)(3) may be less than zero.

Rev. Rul. 99-3, 1999-3 I.R.B. 4, provides that a life insurance subsidiary of a mutual holding company is not a mutual life insurance company for which the deduction for policyholder dividends is reduced pursuant to §§ 808(c)(2) and 809.

For purposes of § 809, the differential earnings rate for 1999 and the rate used to calculate the recomputed differential earnings amount for 1998 (the recomputed differential earnings rate for 1998), and the figures on which these two rates are based are set forth in Table 1.

Rev. Rul. 2000-37 Table 1

Determination of Rates To Be Used For Taxable Years Beginning in 1999

| | |
|--|--------|
| Differential earnings rate for 1999 | 0.249 |
| Recomputed differential earnings rate for 1998 | 0.182 |
| Imputed earnings rate for 1998 | 16.193 |
| Imputed earnings rate for 1999 | 15.815 |
| Base period stock earnings rate | 18.221 |
| Current stock earnings rate for 1999 | 17.465 |
| Stock earnings rate for 1996 | 17.238 |
| Stock earnings rate for 1997 | 19.321 |
| Stock earnings rate for 1998 | 15.836 |
| Average mutual earnings rate for 1997 | 15.566 |
| Average mutual earnings rate for 1998 | 16.011 |

DRAFTING INFORMATION

The principal author of this revenue ruling is Katherine A. Hossofsky of the Office of the Associate Chief Counsel (Financial Institutions and Products). For further information regarding this revenue ruling contact Ms. Hossofsky on (202) 622-3477 (not a toll-free number).

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000-38, on this page.

Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate. For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for August 2000.

Rev. Rul. 2000-38

This revenue ruling provides various prescribed rates for federal income tax purposes for August 2000 (the current month.) Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b).

Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(2) for buildings placed in service during the current month. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2000-38 TABLE 1
Applicable Federal Rates (AFR) for August 2000

| | | Period for Compounding | | | |
|-------------------|-----|------------------------|------------|-----------|---------|
| | | Annual | Semiannual | Quarterly | Monthly |
| <i>Short-Term</i> | | | | | |
| | AFR | 6.37% | 6.27% | 6.22% | 6.19% |
| 110% | AFR | 7.02% | 6.90% | 6.84% | 6.80% |
| 120% | AFR | 7.66% | 7.52% | 7.45% | 7.40% |
| 130% | AFR | 8.32% | 8.15% | 8.07% | 8.01% |
| <i>Mid-Term</i> | | | | | |
| | AFR | 6.33% | 6.23% | 6.18% | 6.15% |
| 110% | AFR | 6.97% | 6.85% | 6.79% | 6.75% |
| 120% | AFR | 7.62% | 7.48% | 7.41% | 7.37% |
| 130% | AFR | 8.26% | 8.10% | 8.02% | 7.97% |
| 150% | AFR | 9.57% | 9.35% | 9.24% | 9.17% |
| 175% | AFR | 11.20% | 10.90% | 10.76% | 10.66% |
| <i>Long-Term</i> | | | | | |
| | AFR | 6.22% | 6.13% | 6.08% | 6.05% |
| 110% | AFR | 6.85% | 6.74% | 6.68% | 6.65% |
| 120% | AFR | 7.50% | 7.36% | 7.29% | 7.25% |
| 130% | AFR | 8.13% | 7.97% | 7.89% | 7.84% |

REV. RUL. 2000-38 TABLE 2

Adjusted AFR for August 2000

Period for Compounding

| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
|-------------------------|---------------|-------------------|------------------|----------------|
| Short-term adjusted AFR | 4.63% | 4.58% | 4.55% | 4.54% |
| Mid-term adjusted AFR | 4.84% | 4.78% | 4.75% | 4.73% |
| Long-term adjusted AFR | 5.53% | 5.46% | 5.42% | 5.40% |

REV. RUL. 2000-38 TABLE 3

Rates Under Section 382 for August 2000

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 5.53% |
| Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.) | 5.79% |

REV. RUL. 2000-38 TABLE 4

Appropriate Percentages Under Section 42(b)(2)
for August 2000

| | |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 8.47% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.63% |

REV. RUL. 2000-38 TABLE 5

Rate Under Section 7520 for August 2000

| | |
|---|------|
| Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest | 7.6% |
|---|------|

Section 1288.—Treatment of Original Issue Discounts on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000-38, page 157.

Section 6061.—Signing of Returns and Other Documents

26 CFR 1.6061-2T: *Signing of returns by voice signature (temporary).*

T.D. 8892

DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Parts 1 and 602

TeleFile Voice Signature Test

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Removal of temporary regulations.

SUMMARY: This document removes temporary regulations that provide that an individual Federal income tax return completed as part of the Telefile Voice Signature test will be treated as a return that is signed, authenticated, verified and filed by the taxpayer as required by the Internal Revenue Code. The temporary regulations were published in the Federal Register on December 27, 1993. Because the temporary regulations applied only to 1992 and 1993 calendar year returns, the IRS is removing them.

EFFECTIVE DATE: These regulations are effective July 18, 2000.

FOR FURTHER INFORMATION CONTACT: Beverly A. Baughman (202) 622-4940 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On December 27, 1993, the IRS issued temporary regulations (T.D. 8510, 1994-1 C.B. 280) in the Federal Register (58 F.R. 68295) under sections 6012, 6061, and 6065 relating to the TeleFile Voice Signature test. Because the temporary regulations applied only to 1992 and 1993 calendar year returns, the IRS has decided to remove them. Therefore, temporary regulations §§1.6012-7T, 1.6061-2T, and 1.6065-2T are being removed.

On December 27, 1993, the IRS also issued a notice of proposed rulemaking (IA-38-93, 1994-1 C.B. 795 [58 F.R. 68335]) under sections 6012, 6061, and 6065. Although written comments and requests for a public hearing were solicited, no written or oral comments were received and no public hearing was requested or held. This notice of proposed rulemaking is being withdrawn in a separate document, Announcement 2000-68 on page 161.

Explanation of provisions

Under sections 6012, 6061, and 6065 of the Internal Revenue Code, each individual with gross income in excess of a specified amount must file an annual income tax return that (i) is signed in accordance with prescribed forms and instructions and, (ii) except as otherwise provided by the Service, contains (or is verified by) a written declaration that the return is made under penalties of perjury.

The temporary regulations provide rules to facilitate the implementation of the Telefile Voice Signature test. Generally, pursuant to the temporary regulations a taxpayer's individual income tax return will be treated as having been properly filed if the taxpayer is eligible to participate in the Telefile Voice Signature test

and, pursuant to the instructions from the Telefile system interactive voice computer, provides the requested information and the voice signature during the telephonic filing season.

The Telefile Voice Signature test occurred during the 1993 and 1994 filing seasons. Since that time, the Service has published final regulations generally authorizing alternative signature methods. See §301.6061-1. Accordingly, the regulations relating to the Telefile Voice Signature test are being removed.

Drafting Information

The principal author of these regulations is Beverly A. Baughman of the Office of Assistant Chief Counsel (Income Tax and Accounting), IRS. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in their development.

* * * * *

Removal of Temporary Regulations

PART 1-INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

§1.6012-7T [Removed]

Par. 2. Section 1.6012-7T is removed.

§1.6061-2T [Removed]

Par. 3. Section 1.6061-2T is removed.

§1.6065-2T [Removed]

Par. 4. Section 1.6065-2T is removed.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 5. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 6. Section 602.101(c) is amended by removing the following entries in the table:

§602.101 OMB Control numbers.

* * * * *

(c)* * *

CFR part or section where identified and described

Current OMB control number

* * * * *

1.6012-7T 1545-1348

1.6061-2T 1545-1348

* * * * *

Robert E. Wenzel,
*Deputy Commissioner of
Internal Revenue.*

(Filed by the Office of Federal Register on July 17, 2000, 8:45 a.m., and published in the issue of the Federal Register for July 18, 2000, 65 F.R. 44437)

Approved June 30, 2000.

Jonathan Talisman,
*Assistant Secretary of
the Treasury .*

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000-38, page 157.

Section 7872.—Treatment of Loans with Below-Market Interest Rates

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2000. See Rev. Rul. 2000-38, page 157.

Part IV. Items of General Interest

Dollar-Value LIFO Regulations; Inventory Price Index Computation Method; Correction

Announcement 2000-66

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-107644-98, 2000-23 I.R.B. 1229) which was published in the Federal Register on May 19, 2000 (65 F.R. 31841) relating to the dollar-value LIFO regulations.

FOR FURTHER INFORMATION CONTACT: Jeffery G. Mitchell at (202) 622-4970 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of these corrections are under section 472 of the Internal Revenue Code.

Need for Correction

As published, this notice of proposed rulemaking contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking (REG-107644-98), which was subject to FR. Doc. 00-12174, is corrected as follows:

1. On page 31844, column 1, in the preamble under the paragraph heading “*New Base Year for IPIC Method Changes*”, line 1, the language “Section 1.472-8(e)(vi) requires a” is corrected to read “Section 1.472-8(e)(3)(vi) requires a”.

2. On page 31849, column 1, §1.472-8(e)(3)(iii)(F), paragraph (xii) of *Example 1.*, line 2, in the paragraph heading, the language “*the 1997 taxable year.* R computes the” is corrected to read “*the 1998 taxable year.* R computes the”.

3. On page 31849, column 2, §1.472-8(e)(3)(iii)(F), paragraph (xiii) of *Example*

1., fourth line from the bottom of paragraph, the language “inventory at the end of the 1997 taxable year” is corrected to read “inventory at the end of the 1998 taxable year”.

4. On page 31850, column 1, §1.472-8(e)(3)(iii)(F), paragraph (vi) of *Example 2.*, line 2, in the paragraph heading, the language “*the 1997 taxable year.* R computes the” is corrected to read “*the 1998 taxable year.* R computes the”.

5. On page 31850, column 2, §1.472-8(e)(3)(iv)(A), second line from the bottom of column, the language “election of an appropriate representative” is corrected to read “election of a representative appropriate”.

6. On page 31852, column 1, §1.472-8(e)(3)(iv)(C)(2)(ii), paragraph (ii) of *Example.*, sixth line from the bottom of the paragraph, the language “(\$241,980.60 * 1.438793). Finally, the” is corrected to read “(\$124,180.60 * 1.438793). Finally, the”.

7. On page 31852, column 1, §1.472-8(e)(3)(iv)(C)(2)(ii), paragraph (ii) of *Example.*, fourth line from the bottom of the paragraph, the language “sold and increases Y’s gross income for the” is corrected to read “sold and increase Y’s gross income for the”.

Cynthia E. Grigsby,
Chief, Regulations Unit,
Office of Special Counsel
(Modernization and Strategic Planning).

(Filed by the Office of Federal Register on July 18, 2000, 8:45 a.m., and published in the issue of the Federal Register for July 19, 2000, 65 F.R. 44709)

Foundations Status of Certain Organizations

Announcement 2000-67

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organiza-

tions described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

Alms for the Poor Corporation,
Naples, FL
American Freedom Housing,
Clearwater, FL
Americas Toys of the World Museum,
Pawtucket, RI
Associated Builders & Contractors
Western Oklahoma Inc., Training
Fund, Oklahoma City, OK
M.L. Carr Foundation, Inc., Peabody, MA
Center for the Study of the Person & the
Advancement of Human Rights,
San Diego, CA
Chicago Philharmonic Orchestra,
Chicago, IL
Children’s Community Corner,
Cleveland, OH
Choices Community Childcare Resource,
Orlando, FL
Choices Unlimited, Inglewood, CA
Citizens Landmark Preservation,
Chicago, IL
Clebune County Schools Foundation,
Heflin, AL
Cloverwood Development Corporation,
Rochester, NY
Community Education Services, Inc.,
Greentown, IN
Contra Costa Boys Development Center,
Pittsburg, CA
Creative Assistance Development, Inc.,
Elgin, IL
DCL Foundation, Inc., Del City, OK
De Best Shared Housing, Inc.,
Baltimore, MD
James C. Dezendorf Charitable Trust,
Portland, OR
Elk Valley Band, Estill Springs, TN
Families in Crisis, Auburn, WA
Foundation for the Residents of Sturgis,
Inc., Sturgis, SD
Friends of the Holy Cross, Staunton, VA
Frio Healthcare Foundation, Pearsall, TX
Greater Nebraska City Medical Care
Foundation, Nebraska City, NE
Harlem Volunteer Ambulance Corps,
Inc., New York, NY

Hmong-American Museum for the Future, Inc., Wausau, WI
 Olive D. Hoffman Memorial, Inc., Great Falls, VA
 Institute for Hindu Studies, Edmond, OK
 International Cinema Museum, Glenview, IL
 International Soccer Club, Incorporated, Hampton, VA
 J&W Adult Care, Inc., Los Angeles, CA
 Job Outreach for Youth, Chicago, IL
 Just-Cause Volunteer Services, Inc., New York, NY
 Lend-A-Hand Society, Inc., Fort Lee, NJ
 Les Grands Ballets De Loony, Inc., New York, NY
 Les Paul Foundation, New York, NY
 Lifestream Foundation, St. Paul, MN
 Los Ayudantes de Naranja, Newport Beach, CA
 Medical Media, Orem, UT
 Middlesex County Bar Foundation, Inc., Cambridge, MA
 MTOTO, Inc., Brookpart, IL
 Nicos Playhouse II, Chicago, IL
 Northern Manhattan Legal Services Corporation, New York, NY
 Oak Center Neighborhood Association, Oakland, CA
 Owens-Jones Academy for Enrichments, Inc., Atlanta, GA
 Pejepscot Terrace Corporation, Brunswick, ME
 Physicians for Prevention, Inc., Jacksonville, FL
 Plaza Community Playground, Inc., Baldwin, NY
 Prairie Center for Environmental Learning and Living CELL, Inc., Hastings, NE
 REACH Responsible Enough to Achieve Career Heights, Inc., Fayetteville, GA
 Reginald L. Blair Memorial Fund, Sharon, VT
 Regional AIDS Interfaith Network of Western New York, Buffalo, NY
 Regional Economic and Civic Team, Farmington, MO
 Sailboat Bend Historical Trust, Inc., Fort Lauderdale, FL
 Samuel and Lydia Clark Foundation, Inc., Syracuse, NY
 Science of Laws Institute, Poway, CA
 Soul Unlimited Outreach Ministries, Silvis, IL
 Sound In Spirit Broadcasting, Inc., Oskaloosa, IA

Southeastern Queens Youth Alternative, Inc., St. Albans, NY
 Strategies to Independence, Inc., N. Attleboro, MA
 Tampa Bay Inner City Youth Tennis Academy, Inc., St. Petersburg, FL
 Texas Saltwater Association, Houston, TX
 Three in One Group Home, Inc., Oakland, CA
 Tribute 21 Foundation, Inc., New York, NY
 True Deliverance Worldwide Ministries, Inc., Little Rock, AR
 Tulsa Firefighters Educational Clowns, Inc., Tulsa, OK
 Two Cities, St. Paul, MN
 USA Television Corporation, LaPlace, LA
 Vietnam Veterans of America, Ohio State Council, Inc., Columbus, OH
 Village Voice Obies Foundation, Inc., New York, NY
 West Virginia Local Health, Incorporated, Wellsburg, WV
 Tim Wynacht Ministries, Lakeport, CA
 World Pal, White Plains, NY

If an organization listed above submits information that warrants the renewal of its classification as a public charity or as a private operating foundation, the Internal Revenue Service will issue a ruling or determination letter with the revised classification as to foundation status. Grantors and contributors may thereafter rely upon such ruling or determination letter as provided in section 1.509(a)-7 of the Income Tax Regulations. It is not the practice of the Service to announce such revised classification of foundation status in the Internal Revenue Bulletin.

TeleFile Voice Signature Test Announcement 2000-68

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of cross-referencing notice of proposed rulemaking.

SUMMARY: This document withdraws the notice of proposed rulemaking relating to the Telefile Voice Signature test that was published in the **Federal Register** on December 27, 1993. The notice of proposed

rulemaking cross-referenced temporary regulations published on the same day that provided that an individual federal income tax return completed as part of the Telefile Voice Signature test would be treated as a return that is signed, authenticated, verified and filed by the taxpayer as required by the Internal Revenue Code.

EFFECTIVE DATE: These regulations are effective July 18, 2000.

FOR FURTHER INFORMATION CONTACT: Beverly A. Baughman (202) 622-4940 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On December 27, 1993, the IRS issued proposed regulations (REG-209640-93) in the **Federal Register** (IA-38-93, 1994-1 C.B. 795 [58 F.R. 68335]) under sections 6012, 6061, and 6065 relating to the Tele-File Voice Signature test. The notice of proposed rulemaking cross-referenced temporary regulations (T.D. 8510, 1994-1 C.B. 280) published in the **Federal Register** for the same day (58 F.R. 68295). Although written comments and requests for a public hearing were solicited, no written or oral comments were received and no public hearing was requested or held. Because the applicable temporary regulations apply only to 1992 and 1993 calendar year returns, the IRS has decided not to finalize those regulations and, thus, is withdrawing the proposed regulations.

* * * * *

Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking that was published in the **Federal Register** on December 27, 1993, (58 F.R. 68335) is withdrawn.

Robert E. Wenzel,
*Deputy Commissioner of
 Internal Revenue.*

(Filed by the Office of the Federal Register on July 17, 2000, 8:45 a.m., and published in the issue of the Federal Register for July 18, 2000, 65 F.R. 44491)

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.

E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contribution Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign Corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.

PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statements of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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Key to Abbreviations:

| | |
|-----|-------------------------------------|
| Ann | Announcement |
| CD | Court Decision |
| DO | Delegation Order |
| EO | Executive Order |
| PL | Public Law |
| PTE | Prohibited Transaction Exemption |
| RP | Revenue Procedure |
| RR | Revenue Ruling |
| SPR | Statement of Procedural Rules |
| TC | Tax Convention |
| TD | Treasury Decision |
| TDO | Treasury Department Order |

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